

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2025 South Dakota Legislature

FISCAL NOTE 2025-FN1020A

HB1020, An Act to establish education savings accounts.

HB1020 would establish education savings accounts (ESAs) from which the parents of participating students could spend moneys on eligible educational expenses. ESAs would be funded at 40% of the per-student equivalent (PSE), equal to \$3,000 in FY2026 based on the Governor's recommended state aid index factor.

This fiscal note is based on the introduced (current) bill. The fiscal impact of this bill will vary depending on the amount of money appropriated by the Legislature, which will determine how many ESAs can be funded.

The cost to the State for ESAs in FY2026 will vary from \$0 up to \$63,027,000. An additional \$1,000,000 is necessary for the administration of the program. The total cost for the program will be \$0 to \$64,027,000 depending on the appropriation and level of participation in the program. This estimate does not include the cost associated with students switching from public school to an ESA.

APPROVED BY: /s/ John McCullough
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